STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

EDMUND G. BROWN JR., Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
SACRAMENTO, CA 95814
(916) 445-1912

September 24, 1981

To: All County Welfare Directors

Letter No. 81-44

BELTRAN vs MYERS (Transfer of Property Litigation)

Reference: Letter No. 81-37 and Letter 81-27

The court has advised us that the instructions contained in Letter No. 81-37 dated August 11, 1981, incorrectly interpreted that part of the preliminary injunction which specified that "only nonexempt property which is transferred can trigger a denial of eligibility".

Effective immediately no period of ineligibility should be applied to MFBUs containing federally eligible persons who have transferred property, exempt at the time of transfer, without receiving adequate consideration. This instruction applies regardless of the manner in which the property is being used at the time eligibility is being determined.

Medically Indigent Adults (MIAs) who have transferred property without adequate consideration should continue to have eligibility determined in accordance with the instructions in Letter No. 81-37 and 81-27. Since the Medically Indigent Adult program is a state-only funded program, MIAs are not part of the class represented by Beltran. We have in the past included MIAs in the actions taken to comply with the court and the new federal law, PL 96-611, to keep eligibility determinations for all Medi-Cal-only cases as simple as possible. However, since the provisions in this letter could have significant fiscal impact we are no longer able to continue this policy.

Letter No. 81-37 requested that any case denied or granted eligibility in accordance with the preliminary injunction be flagged and kept readily accessible. Any case you can identify which has been denied due to transfer of property since receipt of Letter No. 81-37 should be reevaluated to determine if, pursuant to the provisions of this letter, eligibility exists.

Again, these instructions are subject to change; thus cases denied or granted eligibility should be flagged and kept accessible.

If you have any questions contact your Medi-Cal Program Consultant.

Sincerely,

Original signed by

Madalyn M. Martinez, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants
Expiration Date: March 31, 1982